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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Hon. William E. Kennard  
Chairman  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

Re: *Amendment of Parts 21 and 74 To Enable Multipoint Distribution Service and Instructional Television Fixed Service Licensees To Engage In Fixed Two-Way Transmissions - MM Docket No. 97-217 and RM-9060: EX PARTE COMMUNICATION*

Dear Chairman Kennard:

I read with great interest your April 22<sup>nd</sup> statement regarding Section 706 of the Telecommunications Act of 1996 and the deployment of broadband services in areas that are currently under-served. The reason for that interest is simple; the goal of promoting the widespread deployment of broadband service will be substantially advanced if the proposals advanced by WCA and over 110 wireless cable operators, Multipoint Distribution Service ("MDS") and Instructional Television Fixed Service ("ITFS") licensees and equipment manufacturers in MM Docket No. 97-217 are expeditiously adopted by the Commission.

WCA shares your conclusion that "[r]esidential consumers, schools, libraries, rural health care facilities, and small businesses often must struggle with the bandwidth limitations of the dialup network." Wireless cable operators have found that consumers are clamoring for high-speed access to the Internet, as are the educators who serve as ITFS licensees and lease excess capacity to the wireless cable operators. To satisfy this demand, over the past year several wireless cable operators have successfully deployed high-speed Internet access services that deliver bandwidth far in excess of that available from local telephone companies.

Because of the economics of wireless cable, these operators are uniquely situated to bring high bandwidth capacity to areas of the country that today must make due with the dial-up network. As you know, the high cost of constructing a wired infrastructure deters wired telecommunications providers from serving sparsely populated rural areas and urban residential neighborhoods (particularly less affluent neighborhoods), where they believe

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that potential revenues do not justify the capital expenditure of wiring. Wireless cable operators, however, operate under a different set of economic incentives. Once a wireless cable operator has constructed its initial transmission facility, it costs no more to install reception equipment at a school in the urban residential core or at a small business in the rural fringe than it does to commence service to a large company in the central business district. For this reason, wireless cable is today a source of video programming in areas that are unserved by the cable television industry, and can similarly provide wireless broadband services in areas that wired providers will not serve.

The superiority of wireless cable as a vehicle for serving those that today have limited options is enhanced by the propagation characteristics of the 2 GHz band where MDS and ITFS operate. I had an opportunity earlier this week to speak at a TeleStrategies conference, "Wireless Broadband," where the relative merits of MDS/ITFS and other technologies, including LMDS and 39 GHz, were discussed at length. The discussions confirmed what WCA believes was the message of the recent LMDS auction -- there is little interest in providing wireless telecommunications services to rural areas using the upper reaches of the spectrum, where path lengths are short and operating costs high. With cells capable of serving 35-mile radius areas, wireless cable operators will be able to develop economically-viable businesses serving areas that cannot be served with the 3-5 mile cells projected for LMDS and other services in the higher bands. If high-bandwidth service is to come to rural America, it likely will be through MDS and ITFS.

For wireless cable to succeed in satisfying the unmet demand for bandwidth, however, the regulatory changes proposed by WCA and its brethren in MM Docket No. 97-217 will have to be adopted, and will have to be adopted soon. The existing wireless cable high-speed Internet access businesses are asynchronous, using MDS/ITFS channels to transmit information from the Internet to subscribers, but relying on telephone return paths to connect subscribers to the Internet. However, that configuration has proven problematic. For many business customers and local educators, the nature of their usage mandates broadband capabilities in both directions. Moreover, subscribers have spoken loud and clear -- they do not want to tie up their current telephone line, or incur the expense of adding a second telephone line in order to receive high-speed service from a wireless operator. If wireless cable operators are to succeed commercially, and if educators are to meet the needs of their students, they must have the capability of providing a two-way service that frees users from the bandwidth-constrained dial-up network entirely.

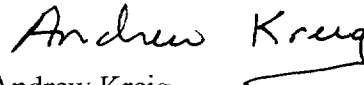
The rule revision we have advanced are designed to achieve the goal of promoting the deployment of two-way broadband services over MDS and ITFS, while at the same time assuring that both existing and new operations will enjoy an appropriate level of protection from interference. Foreshadowing your recent efforts to streamline the processing of broadcasting applications, we have proposed rules that will allow the rapid

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authorization of facility modifications, so long as the licensee proposes to maintain its signal within acceptable limits at the boundary of its service area, effectively certifies that it meets interference protection rules (and actually files the supporting interference studies with the Commission and serves copies of those studies on potentially-affected licensees and applicants), and passes a 60-day public notice period without a petition to deny having been filed. Adoption of this approach will avoid the processing delays that have plagued wireless cable operators in the past, both by eliminating the need for detailed staff engineering review of non-controversial applications and by freeing the staff to concentrate on contested matters. Yet, our proposal provides a "safety net" that requires a cessation of transmissions should impermissible harmful interference result from operations authorized under the expedited processing procedures.

WCA's members stand ready, willing and able to address the emerging need of all Americans for access to broadband services. Because wireless cable is particularly well-suited to the provision of broadband services in under-served areas, adoption of our proposed rule revisions will substantially advance the objectives of Section 706.

Respectfully submitted,



Andrew Kreig  
President

cc: Hon Susan Ness  
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Hon. Michael K. Powell  
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